BIG GOVERNMENT IS BACK

The SPEAKER pro tempore (Ms. BERKLEY). The Chair recognizes the gentlewoman from North Carolina (Ms. FOXX) for 5 minutes.

Ms. FOXX. Madam Speaker, the era of big government is back. President Obama's proposal last week on the budget raises the deficit to $1.75 trillion. That is 12.3 percent of GDP. Even while rolling back the 2001 and 2003 tax cuts, the Democrats' budget stills grows the deficit, and we've been told over the years that it was those tax cuts that created the deficit.

The national debt will double to $20 trillion in just 8 years. Think of that, ladies and gentlemen, $20 trillion. In the last 8 years, the budget rose only by $4.9 trillion in comparison. The Obama administration will exceed that within their first 3 years. Beginning in 2012 and every year thereafter, the government will spend more than $1 billion a day in net interest. Just think what we could do with that kind of money.

I've just been visited by representatives of School Food Service in the Fifth District of North Carolina. They tell me, unless the Federal Government increases its commitment to School Food Service, children in our country are going to go hungry. Think what we could do with $1 billion a day.

By 2019, the government will spend $1.7 billion per day on interest. Total spending is going to equal $3.9 trillion in 2009. That's 27 percent of GDP, a record level and the highest level as a share of GDP since World War II. This spending is going to expand net entitlement spending by $1 trillion over 10 years, and it includes a $634 billion down payment on socialized medicine.

Medicaid spending will double in less than a decade, growing from $201 billion in 2008 to $403 billion by 2017, and there are no provisions for rooting out waste, fraud and abuse in this program. It's going to increase domestic—non-defense, non-veterans, non-homeland security—discretionary spending by at least 10 percent next year on top of the 8.7 percent increase this year.

Ladies and gentlemen, the American people can not stand this debt and can not stand this kind of spending.

The proposed budget also raises taxes by $1.4 trillion during a recession. This includes tax increases on American business, small businesses and individuals. Furthermore, all Americans who use energy will be penalized with a new carbon tax. This energy tax negates the so-called ''tax cut'' for 95 percent of Americans, because 100 percent of Americans who use any form of energy are going to pay this tax.

It reinstates the death tax. This onerous tax punishes families for building up savings to pass on to their heirs, and it imposes an especially heavy burden on small businesses and family farms. It will penalize Americans for contributing to charities by increasing taxes by $179.8 billion over 10 years.

The budget repeals seven different tax provisions for oil and gas producers, including a manufacturing deduction and the expensing of drilling costs, which would effectively raise taxes on the industry by $60 billion.

The new policy of Cap and Tax, or Cap and Trade, would impose a $79 billion annual cost to the economy, or $646 billion over 10 years. This is going to raise energy prices by an average of $516 per year for each household.

We heard the President talk about responsibility and accountability. By my account, he mentioned ''responsibility'' seven times last week in his speech to Congress, and he mentioned ''accountability'' six times. Ladies and gentlemen, it is time that Congress lives up to its responsibility and becomes accountable for its spending and stops passing these spending costs along to future generations.

HEALTH CARE REFORM

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey (Mr. PALLONE) for 5 minutes.

Mr. PALLONE. Madam Speaker, I wanted to talk about health care reform and start off by mentioning that, in my opinion, in the last month or so since President Barack Obama has taken office, more has been done under his auspices in terms of health care reform than probably has been done in the last 10 years. I specifically would mention the SCHIP—children's health care expansion—and those health initiatives, those health care reform initiatives that are in the economic recovery package. They are significant for many reasons.

First of all, if you look at the SCHIP, or the children's health care initiative, we have on the books or we had before this initiative for about 10 years a program that allowed working parents who did not receive health care on the job through their employers to be able to receive it through the State. These were people who were working but who were not poor enough to qualify for Medicaid. Yet, if they went out and tried to buy private insurance for their children and for themselves, they essentially were not able to because the private market is too expensive.

□ 1045

And so about 12 years ago, Democrats and Republicans, on a bipartisan basis, got together and set up the SCHIP children's health initiative, the Federal Government giving the States money to cover these kids in certain categories, maybe 200 percent of poverty or, in some cases, even as high as 300 percent of poverty. It worked.

About 7 million children who did not have health insurance were covered, and we decided as Democrats—and we tried to get some Republicans and actually did get some Republicans to support us—that we needed to expand it by another 4 or 5 million kids who were eligible for the program but were not receiving the benefits, either because the States didn't have the money or because they couldn't reach them through their outreach programs.

So one of the first things that was done by this new Congress was to pass an SCHIP expansion bill. Actually, it had a two-thirds majority vote here in the House of Representatives—over 40 Republicans joined with Democrats—and President Obama signed the bill just a few weeks ago.

We know it's going to work. We know it's going to do a lot to expand health insurance for kids who do not have it, and that makes sense because the bottom line is that if people have health insurance, then they go to a doctor more frequently. They get preventive care. They don't have to go in an emergency room. They don't get sicker, which ultimately causes the Federal Government and the State government more money.

Let me talk about the economic recovery package. In the economic recovery package, there are a number of health care reform initiatives. First of all, there's money that goes back to the States, about $80- to $90 billion, to help them enroll people on Medicaid. Because of the recession, because more people now do not have a job and, therefore, lose their health insurance, the Medicaid rolls have expanded, but States can't afford to expand the Medicaid rolls and, in many cases, were already starting to limit who would be eligible for Medicaid. But now, the Federal Government is giving the States essentially about $80- to $90 billion to help them defray that cost so that anyone who's eligible for Medicaid would be able to receive it.

In addition to that, if you were employed and you lost your job, we have a system now called COBRA, which is an acronym, where if you do lose your job, you can pay the full cost of the health insurance that your employer was providing you and continue to have your existing health insurance that you had on the job for another 18 months. But the problem is you have to pay out of pocket 100 percent, actually 102 percent because of the administrative costs, because your employer is not contributing anymore. So, with the economic recovery package, the Federal Government now will pay 65 percent of the cost of COBRA which makes it a lot more affordable for those who are eligible for COBRA.

But beyond that, there are major reforms in the economic recovery package in health care, in many significant ways, not just the money. For example, there is a major initiative on preventive care. There's a major initiative on wellness, to basically teach people about staying healthy so they don't get sick and cost the system a lot of money. There's also $20 billion for health information technology, so that hospitals and doctors can upgrade their systems and, rather than using paper, have all their records done electronically. This saves the system money.

What President Obama is trying to do in the economic recovery package is basically lay the groundwork, if you will, for doing health care differently. If the emphasis is on prevention, if the emphasis is on wellness, if the emphasis is on new technologies that bring costs down because you can do things more effectively, then not only do you have less mistakes and a more efficient system, but you have a system that ultimately costs less money.

ECONOMIC STIMULUS II—MORE DEBT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

Mr. STEARNS. Madam Speaker, with America facing an almost 8 percent unemployment rate, record low consumer confidence, and this country's worst economic downturn since the beginning of World War II, our Nation needs a real economic stimulus package that will give tax relief to hurting American businesses, create long-term sustainable job growth, and provide real permanent tax relief to American families. What this country does not need is the Federal Government increasing our national debt to record levels, burying our children and our grandchildren under a mountain of debt.

This Democrat spending plan is simply not stimulative. According to CBO, the plan includes over $600 billion in new spending. There are some tax cuts, but of the $816 billion in the program, the majority is for new spending, from 2009 to 2019. While this plan is aimed at quickly injecting government cash into the economy, only 15 percent of the spending will occur during this fiscal year, and only 37 percent of the spending will occur in fiscal year 2010. This means that over half of the plan's spending will occur starting in the year 2011, hardly a quick injection into the lagging economy as promised by the Democrat authors.

Many have looked to our economic history to provide guidance for us today during this difficult time. Particularly, they've looked at the New Deal under President Roosevelt. Unfortunately, what many economists have found is that the New Deal principles are stale ideas that do not translate into economic stimulus for our economy in the 21st century.

First, the Great Depression began in 1929 and did not end until 1940. And the stock market did not return to the level of September 3, 1929, until 1954. If today's economy were to go through a similar recovery, we would not fully escape the current recession until the year 2018, and the Dow would not reach its high of 2007 until the year 2032.

Secondly, many economists note that during the Great Depression the United States did not actually have much of an expansionary fiscal policy. As Tyler Cowen stated in the New York Times article, The New Deal Didn't Always Work, Either, ''Under President Herbert Hoover and continuing with Roosevelt, the Federal Government increased income taxes, excise taxes, inheritance taxes, corporate income tax, holding company taxes and 'excess profits' taxes. When all of these tax increases are taken into account, the New Deal fiscal policy didn't do much to promote recovery.''

This legislation is also an unprecedented expansion of the nation's debt burden. The U.S. is projected to have a $1.2 trillion deficit in FY 2009 even without the enactment of any stimulus legislation. As a percentage of GDP, the projected FY 2009 deficit (8.3% of GDP) is considerably larger than any deficit during the Great Depression (the highest was 5.4% of GDP in 1934).

The year 2008 could easily be defined as the year of the bailout. The months have passed in a torrent of troubling government "rescues" of private sector financial firms. Those bailouts have come at a great price and have exposed American taxpayers to vast financial risk. And in a financial crisis, such as the one we are now facing, bailout after bailout is quite simply not a good strategy for recovery.

Since October of 2008, the U.S. Treasury has committed $350 billion in public funds to private financial institutions, many of which have utilized reckless investment strategies, through the Troubled Asset Relief Program (TARP).

Specifically, insurance giant AIG has received $40 billion, Citigroup—which just tried to spend $50 billion on a luxury corporate jet—has received $20 billion, an additional $20 billion has been given to the Federal Reserve, and $250 billion has gone to large national banks in the form of direct capital injections. Even more troubling is the $23 billion of these TARP funds, which has been allocated to bail out automobile manufacturers such as General Motors and Chrysler. This type of government intervention in the private sector is unprecedented and has put us on a precarious path to socialism.

Given the massive amount of money the Federal Government has spent on bailouts since March of 2008, along with the ever-increasing debt level, it is unconscionable to continue committing good money after bad. This money belongs to the American taxpayer, and now, more than ever, we must rein in this out-of-control government spending for our future generations who will have to pay back this irresponsible debt accumulation.

Madam Speaker, we need to turn off the government spigot of Federal funding into non-stimulative debt spending. It is time for Congress to pass a real economic stimulus package that will give tax relief to hurting American businesses, create long-term sustainable growth, and provide real permanent tax relief to American families.

THE LAW OF UNINTENDED CONSEQUENCES

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. MCCLINTOCK) for 5 minutes.

Mr. MCCLINTOCK. Madam Speaker, I'd like to offer a word of caution about the law of unintended consequences.

Last week, this House passed the administration's proposal to allow homeowners to force banks to reduce the size of their mortgages and their interest payments.

Well, there are millions of families, including my own I might add, who now owe more on our mortgages than our homes are worth, and yet more than 90 percent of homeowners continue to make our mortgage payments in hopes of better days to come.

Question: How many of these people who have been faithfully making their mortgage payments will now take advantage of this new law to reduce their mortgage debt by tens or even hundreds of thousands of dollars?

And while we're at it, here's another question. As these borrowers decide to cash in on this windfall, how many additional banks will fold as the value of these otherwise perfectly sound mortgages is crammed down by this new law?

And a final question: How high will the surviving banks raise their interest rates and down payment requirements to protect themselves against future governmental interventions?

I'm afraid that all we will have done is to create a society where fewer banks will be able to make loans and fewer home buyers will be able to access loans and produce an additional downward spiral in home values.

Madam Speaker, the law of unintended consequences is beyond Congress' jurisdiction, and we would do well to heed it.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 55 minutes a.m.), the House stood in recess until noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PASTOR of Arizona) at noon.

PRAYER

Reverend Lawrence L. Vollink offered the following prayer:

Always, Lord God, You have been our help in days past. You have been our hope for the days ahead. We are so overwhelmed that out of Your love, You lead us, You protect us, You sustain us, and You bring comfort to Your people, sometimes miraculously, and at other times, from a distance. And to us has been given that sacred trust to bring honor and goodness to all people.

We again ask for Your wisdom to be given to our Representatives as they